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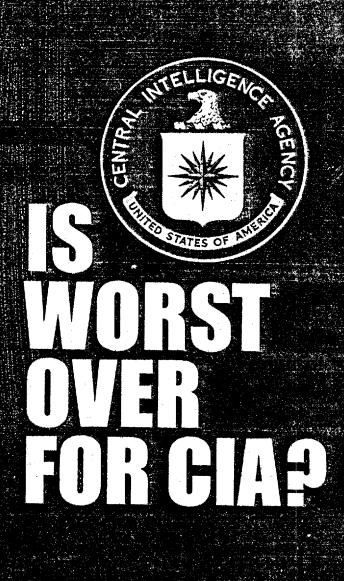
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How to Get Yourself Organized

America's Oil Lobby—the Way It Works



Stansfield Turner Director, Central Intelligence Agency



SPECIAL REPORT

Scandals over assassination plots and spying on Americans are a thing of the past. But new troubles now are cropping up to plague the agency that is Washington's eyes and ears around the world.

President Carter in March of 1977 plucked an Annapolis classmate out of the Navy and gave him the job of reviving a battered and demoralized Central Intelligence Agency.

It was a daunting assignment that Adm. Stansfield Turner took on-to repair the damage caused by revelations that the 32-year-old intelligence agency had spied illegally on Americans, planned assassination attempts against foreign leaders and experimented with mind-bending drugs without the knowledge of the people involved.

Now, two years later, a new controversy is raging around the CIA. The basic question: Has Turner set the agency on the road to recovery after five years of turmoil-or is he plunging it into an even more crippling crisis?

On one side, critics charge that, under Turner, the agency today is in deeper trouble than ever before, with plummeting morale, a large-scale exodus of key officials and serious strains in the CIA's relations with the rest of the nation's intelligence community. They point out that President Carter himself has complained about the quality of political intelligence, particularly in connection with the revolution that toppled the Shah of Iran.

On the other side, Turner and his supporters contend that the current turbulence is insignificant and, in effect, healthy. They maintain that it merely reflects an overdue basic reorganization that is adapting the CIA to cope with vast political and technological changes in today's world.

What, in fact, is happening to the agency that is this

country's eyes and ears around the globe?
Why have there been "intelligence failures?" Have there been any recent successes?

Have restrictions designed to avoid misdeeds of the past emasculated the CIA, rendering it impotent to gather information and influence events abroad?

Over all, is the CIA on its way up—or still on the skids? To find answers to these and other questions, staff members of U.S. News & World Report talked to scores of persons in this country and abroad—veteran officials at the agency's headquarters in Langley, Va., CIA operatives overseas, foreign intelligence experts, military commanders, members of Congress and White House advisers. Here, told largely in their own words, is how these insiders see what has happened to the CIA and where it is heading:

Turner: Triumph or Disaster?

Comment from within the intelligence community begins, and often ends, with one man: Stansfield Turner. He took over the CIA attemptor Reteaste 2004/40/28: CIA-RDP88-01314R00030025000452vice officer who has Rhodes Scholar to Pentagon "whiz kid," from innovative served as ambassador to Portugal, argues

commandant of the Naval War College to commander of the North Atlantic Treaty Organization's southern flank.

"There were some misgivings about Turner from the beginning at the CIA," says one intelligence professional. "But he came in with as much good will as he could conceivably get. No one had more open doors around town."

Many of those doors, this associate adds, are no longer open to Turner. "He wants very tight categorical control over the entire intelligence community and the CIA," the expert reports. "He gets frustrated by any resistance. When there has been resistance, there has been instant outrage, great trauma. He is abusive, abrasive, autocratic.'

Early in his tenure, Turner moved to consolidate his control over the intelligence community-something none of his predecessors had succeeded in doing. He received a major boost when President Carter signed an order giving

him control over the budget not only for the CIA but for all the intelligence activities of the Pentagon and other government agencies.

"Amateurs" at the top. "Turner has built a separate corporation with a deputy and four senior vice presidents, says a military-intelligence official. "They operate as though they feel they are entitled to run the whole intelligence community. All these six people are new guys on the street. There isn't a one who knows anything about running an

intelligence operation. It doesn't work." He adds about Turner: "He's the busiest director of central intelligence I've ever seenand the least accessible. He has three offices-in the Executive Office Building, another near the White House and Langley. What does he do with three offices?"

> Reports another intelligence executive about the CIA chief: "Turner moves from one event to another with quickly assembled fact sheets. He is prepared to be very glib. But ask three questions, and you've exhausted his knowledge. If anyone tries to tell him that, he becomes intensely angry. You then see his essential and basic arrogance and ego. His judgment of his own capabilities is not shared by close observers."

> Mass exodus. Within the CIA, frustrations over criticism, new restrictions and Turner's style of operating, coupled with government incentives for early retirements, have contributed to a flood of departures: 400 retirements in 1977, 650 in 1978, nearly 200 just in January of this year. Typical comments by those

getting out: "The mystique is gone." "Our teeth have been pulled." "We've become pussycats in a den of lions."

One man with a good vantage point in the agency took a look at the names of those retiring in January and termed the situation "a disaster."

"The best people in the organization, the new generation of leadership that Turner ought to be building and relying on into the 1980s, are fading out because it has just gotten flatly intolerable," he says. "I would say half a dozen of the best people out there who should have been at the very top

of that agency in the early '80s have left within the last six months. I know of at least six more who told me they might That's an indicator of how bad it is."

Frank Carlucci, Turner's deputy and a served as ambassador to Portugal, argues

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Gathering Secrets—a Crowded Field

A dozen separate agencies, spread throughout the government, make up the U.S. intelligence community:



Central Intelligence Agency

Collects intelligence overseas. coordinates work of other agencies and disseminates intelligence.



Defense Intelligence Agency

Provides military intelligence, primarily for Pentagon officials.



National Security Agency

Monitors radio, telegraph and radar traffic of other countries, cracks foreign codes.



Force Intelligence

Gathers intelligence of special interest to the Air Force, including: bombing targets.



Intelligence

Gets intelligence of interest to the Army, including order of battle of potential foes.



Office of Navai Intelligence

Gathers information on foreign navies.



National, Reconnaissance Office

A secret agency that operates the country's spy satellites.



Federal Bureau of Investigation

Keeps track of foreign spies and collects foreign intelligence in the



Bureau of Intelligence and Research

Arm of the State Department that gathers foreign political, economic and political-military data.



Treasury Department

Collects foreign financial information and, through the Secret Service, protects the White House.



Energy Department

Monitors foreign nuclear-weapons tests and collects data on foreign energy matters.



Drug Enforcement Administration

Collects and disseminates intelligence on foreign and domestic aspects of narcotics traffic.

problem we face." Carlucci adds that the agency has three employes working full time to provide information demanded from his personal file by Philip Agee, a former CIA official who now is writing books and articles disclosing names and addresses of agency personnel in foreign cities.

Agee, however, is not the only problem for the agency. A CIA official who recently completed a tour of agency offices aproad complains of leaks of sensitive information. "I have never seen leaking like this," he said. "You pick up the newspaper, and you see things directly out of the NID-the National Intelligence Daily. Just quoted, verbatim.'

As a result of one recent leak, the official says, two sources were lost in one country-one of them presumed killed-and another source was lost in a second country.

Intelligence Hits and Misses

What do CIA "customers" think of its information?

A top Pentagon official says: "I have to say they do a good job, although never perfect. They're great on current events. The problems come with long-range interpretations. There, they don't do as well. Some of the fault may lie with policymakers like myself. Maybe we should be smarter in asking our questions in the first place.'

From an influential White House aide comes this complaint: "We get lots of facts and figures and not enough interpretation and assessment of what they mean. It's getting more and more difficult to find people who can write a good, clear analytical sentence.

Turner himself admits that the agency must bear down on its long-range forecasts, saying: "I think the U.S. has got to play its role in a longer-term, more subtle, more fundamental way than putting a finger in the dikes-to anticipate problems rather than react to problems."

Gun-shy agency. A top White House official offers this overall assessment of the CIA: "Sixty to 70 percent of the problems over there have nothing to do with Admiral Turner or this administration. The CIA has been through a very rough period the last five years and as a result they are gun-shy, less willing to stick their necks out on forecasts.

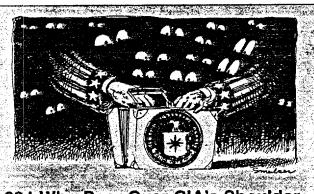
Despite these problems, he adds: "What they give us is good; it's very good. They were right on top of the China-'ietnam thing, for example."

A ranking military-intelligence expert reports another agency success: "When Argentina and Chile were disputing over the Beagle Channel islands, Argentina was all ready to go to war. But we had that covered. We passed the information on to the State Department, which was able to get the Vatican to mediate and settle the dispute. This was a case where good intelligence prevented a war.'

From a key administration official: "The CIA does a remarkable job on strategic intelligence. The whole technical intelligence side, while not without some problems, is remarkable. We couldn't even think of having a SALT agreement without this capability." The same official com-Approved For Release 2004/10/28: CIA-RDP88-01314R000300250004-2 the CIA to influence other governments rather than to gather information. He contends: "The CIA's capability to execute covert maneuvers has been largely neutralized. This reduces by one whole dimension the community's ability to effectively do its job."

Spies vs. technology. Does the CIA rely too much on satellites and other gadgets and not enough on people—that is, spies?

Senator Daniel P Moynihan (D-N.Y.) thinks so. Noting that the CIA needs permission from the President and must report to seven congressional committees to launch a covert operation, he argues: "It means that what you have is a place in Langley, Va., doing research—research that might well be done by the Library of Congress." And a top Penta-



204 Who Peer Over CIA's Shoulder

The CIA must report on its activities to no fewer than eight congressional committees—

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Intelligence
Senate Intelligence 11 3
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ALL TOLD, 163 members of Congress and 41 committee

gon official says: "Our technology is far better than that of the Soviets. But human intelligence is so very important. Technology can tell you about capabilities, but it takes human intelligence to know intentions."

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Another defense expert disagrees that too much is being spent on technology at the expense of human intelligence, declaring: "The charge that we are relying too much on machines is a red herring. The hardware always looks like it's dominating the intelligence operation because it's so big in the budget. You could pour as much as you could into analysis and human intelligence, and it still wouldn't change the percentage very much."

Turnaround on Capitol Hill

"Congress is in full retreat from the notion that it should impose strict and detailed restrictions on the activities of the CIA," an experienced analyst reports.

A key Senate staff member sums up the feeling: "With

the almost daily revelations of wrongdoing by the agency a couple of years-ago, there was real doubt up here about whether we should even have something like the CIA. But there seems to be a feeling now of trust in the CIA by people in the House and Senate—that the agency is being run in a manner that won't allow abuses to occur."

Congress is still debating details of a new CIA charter that will outline what the agency may and may not legally do. An influential House staff member says of the legislation: "In the short run, it will free up the CIA in an operational way. Right now, because of the abuses of the past several years, the agency is hunkered down, afraid to do anything. It is being overly conservative, to the detriment of our interests. We've seen the effect of this in Europe, with our capability to collect data about political terrorists. And, in the long run, absent a charter bill, the CIA could slip back into ways of the bad old days."

Representative Charles Rose (D-N.C.), a member of the House Intelligence Committee, says: "There's no doubt about it—the mood, the pressure for curbs is not at all what it was a couple of years ago. Most of us—and I've been a real skeptic—were ready to throw a few babies out with the bath water. But they are keeping their skirts clean these days out at Langley."

Senator Malcolm Wallop (R-Wyo.), a member of the Senate panel and an outspoken critic of the CIA, reports: "Sentiment for restrictions—at least the closely detailed kind—is ebbing fast now. The idea now is to help the agency get back on its feet, not discourage it from doing a more competent job."

The View From Overseas

Europeans are dismayed by the damage inflicted on the CIA by public criticism in the U.S. and exposure of agency operations. The Germans call it *Selbstzerfleischung*, which means self-laceration.

An analyst in the Mediterranean area reports: "Senior foreign security men have complained privately to American officials, and at least one European agency chief reacted by starting to hold back certain information he had previously shared routinely with the CIA."

One European official says: "We are also worried about all the books and magazine articles by former CIA officers in which they spill the agency's secrets. Such exposés can compromise our sources and embarrass our governments."

Another European expert on intelligence makes this observation: "The disclosures in Washington seriously weakened effectiveness of the agency. The security services of other countries and individual contacts have been much more reluctant to cooperate for fear of themselves being exposed."

"No one minimizes the importance of what U.S. intelligence chooses to concentrate upon," reports an Allied spokesman. "It is what it misses, or in the end dismisses, that worries foreign governments. The U.S. has yet to show that it fully understands the importance in today's world of 'soft' intelligence—the reporting and analysis of not only political, but also social, religious and economic developments affecting ordinary people."

Overage agents. Cutbacks in personnel have changed the way the CIA operates overseas. In the Far East, for instance, agency manpower was slashed by nearly half shortly after Turner took over. Part of the gap was filled in Japan by increased cooperation from Japanese intelligence agencies.

Despite reductions in manpower, a top CIA official in Washington asserts that the agency still has the world well covered. He says: "We can do the job with the resources we

have. There are lots of parts of the world that make me nervous, but not because we are absent from them."

Of more concern to CIA executives than the number of agents overseas is the fact that many of them are relatively old for the cloak-and-dagger business. Twenty-seven percent of field personnel are over 50. Says one agency official: "Where we are short is on young blood. We let the pipeline dry out. But we will remedy that."

What's Next for the CIA?

With all its troubles, most American and Allied intelligence experts rate the CIA as the best in the world at what it does.

From a senior European security officer: "The CIA works hard and digs deep. Probably nobody else, including the Russians, amasses a greater volume of information. Yet there appear to be specific gaps and weaknesses in the final product."

The CIA's Carlucci says: "I don't think there is any question but what we are the foremost intelligence operation in the world—over all. In technology, we're ahead. On the analytic side, we're clearly ahead."

A top Pentagon official notes: "Our intelligence is still by far the best in the world, far better than the Russians'. You're never as good as you would like to be, but we're the best in the world—better across the board."

A ranking military-intelligence specialist has some reservations: "We clearly have the best intelligence-gathering technology in the world. But I think the Soviet Union may have the most effective intelligence apparatus in the world. Their leaders know better what we are doing than we know of what they are doing."

From these wide-ranging conversations with intelligence "producers" and "consumers" in the U.S. and abroad, what overall conclusions emerge concerning the current health of the CIA and its prospects?

The intelligence agency under Turner has recovered much of the trust Congress had lost in it. The lawmakers are less interested in imposing new restrictions to guard against excesses than they are in preventing any further weakening of the nation's espionage capabilities.

But there is still no sign that Congress is prepared to allow the agency to engage again in the kinds of covert operations abroad that a decade ago constituted a major U.S. weapon against Soviet machinations around the world.

Recapturing the confidence of potential agents overseas and of foreign intelligence organizations is a tougher proposition as long as former agency staff members, as well as members of Congress and administration officials, continue to leak CIA secrets.

The jury is still out on the long-term impact of the "Turner revolution"—whether it actually will lead to a more efficient and effective intelligence operation. But many doubt that the potential benefits will justify the continuing turmoil throughout the intelligence community.

There is a consensus that controversy will dog the CIA as long as the former admiral remains at the helm. But the prospect of a change is widely discounted. For Turner still seems to command the confidence of the one man who counts most—his former Annapolis classmate now in the White House.

This article was written by Associate Editor Orr Kelly, with assistance from other staff members in Washington and overseas.

Admiral Turner's View: Turmoil "Has Been Worth It"

Sagging morale, mass resignations, too many leaks, failure in Iran. To understand the charges, says the nation's intelligence chief, it's necessary to grasp revolutionary changes in the business of spying.

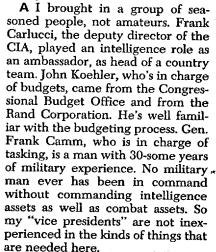
 ${f Q}$ Admiral Turner, has the CIA been emasculated in the past several years, as critics allege?

A Actually, I think it's much better than in the past. The technological collection systems have come along, and they're constantly growing in capability. And our sophistication in utilizing them is increasing.

There is more productive activity in the human-intelligence field today than there was last year or the year before. It's just as important to us, and it's being emphasized more and more.

Q You have been criticized for filling most of the top jobs in the agency with outside amateurs. Why

have you done that?



But the operating elements of the CIA—the clandestine collection, the scientific collection, fields where you need people who have been there for years—are run by CIA professionals.

In addition, I believe that it was a good time to give a new perspective on intelligence because there are profound changes that affect the intelligence world.

Q What are these changes?

A First, the U.S. role in the world is changing. Second, technology is changing in the way you do intelligence. Third, the American public is much more interested in what we in the intelligence community do than it was 10 years ago. And fourth, the CIA is maturing. It's graduated its first generation. We're coming into a new era in the agency.

In light of these changes, I think it has been important at this stage to have people with an open mind.

Q. Why do we hear so much about morale problems at the CIA and early retirement of so many of your people?

A I've tried to point out there are a lot of trustrations as you make substantial changes. And, yes, some people get discouraged because they just don't know how to adjust to these changes.

One of the factors is the maturing of the CIA that I mentioned earlier. Twenty-seven percent of our clandestine professionals are 50 years of age and older. We can't tolerate that, because there's going to be a gap somewhere. That's why I peeled some off a year ago—because I wanted to start filling that gap sooner, instead of letting them all stay another three or four years and then suddenly finding I have over 30 percent who would be leaving within 2, 3 or 4 years of each other.

We've got a real problem here in that we've matured without bringing along the replacements in adequate measure. And because of that, there are a lot of people leaving.

And, lastly, let me say that our government induces people to leave. Take one of the fellows who retired last January 12—that was the magic date around here for a lot of technical reasons. If he had stayed another year and a half, his annual retirement for the rest of his life would have been a couple of thousand dollars less every year.

Q. Your critics say that you've created a great deal of turmoil in an agency that already was demoralized. Was it necessary?

A Oh, no question it's been worth it, in my view. You don't adapt to the forces of change that I've described without some unsettling.

Take, for example, the greater openness and control. I don't think any public institution can thrive that doesn't have the support of the American people. We lost a great deal of that support because of a strong suspicion that we're doing things we shouldn't be doing.

We've become more open—publishing more, giving more interviews, answering press responses more—so that the American public will understand better what we are doing.

On top of that, the country has established a set of controls for intelligence today such as has never been exercised before in any intelligence operation in the world of this magnitude. We have to expose much more of what we do to the intelligence-oversight board, to the National Security Council and to the two oversight committees of the Congress. These are very traumatic experiences for intelligence professionals to go through.

Q. Can you run an effective intelligence organization with so much accountability and openness?

A I think we can. But it'll be two or three more years before I can say we are doing it. It will take a refining of the procedures in our dealings with the intelligence committees, with the oversight board and so on. In my opinion, this is moving in a healthy direction.

Q Are foreign intelligence agencies, such as the British and Israeli, reluctant to cooperate with you for fear of compromising their secrets?

A There's no question that people are nervous about that. Where we are most vulnerable is in what's known as covert action—influencing events, not collecting intelligence. The Hughes-Ryan Amendment requires us to report to seven committees on covert actions. We would like to see that narrowed to the two congressional oversight committees. That would help.

But let me suggest that other countries are beginning to face the same problem. In Britain, the Official Secrets Act is now on weaker ground. The Germans have a Bundestag committee that came over and talked to me about what we are doing. The Italians have moved part of their intelligence out of the military into the Prime Minister's office.

In short, democracies are no longer as comfortable with unaccountable intelligence people around. We're blazing the trail in finding out how to get the right balance between necessary secrecy and accountability. I think we're coming out well.

Q With so many congressional committees in the act, have covert actions become impossible?

A No. But it is most difficult to undertake a covert activity where there's a high probability of a lot of controversy over it.

Q. So, for all practical purposes, potentially controversial covert actions have been turned off—

A Yes. On the other hand, what this means is that there's more likely to be a national consensus behind any covert action undertaken today than there was in the past. I think it should be that way.

Q Turning to the criticism of the agency's political analysis: What do you say to charges that you are devoting too much of your resources to day-to-day developments—competing with daily papers—rather than working on long-term trends?

A They're right. We've been working for two years to start shifting it. But it can't be done overnight. The intelligence community—more so in Defense than in the CIA—has a culture that's oriented toward current intelligence. The rewards go to the quick-response people.

It's taking a while to shift that emphasis, and it's causing turmoil. Some people are unhappy because they don't want to get shunted off in what they think is a closet where they'll be doing long-term research. That is just one of the fundamental changes that must be made in the way we handle the analytic process. And, of course, it's disconcerting to people.

Q Wasn't President Carter expressing dissatisfaction with the job you've done by writing a memo complaining of inadequacies in political intelligence in the Iran crisis?

A The memo was addressed to three people—Cyrus Vance, Zbigniew Brzezinski and myself. The thrust of it was: "Are you guys bringing it all together?" Most of the information that was lacking was available without a spy in the system or a satellite. I'm not trying to absolve myself or the agency or the intelligence community. This memo isn't the first I've had that's been critical.

Critical memos are not the only ones I have received. I've received handwritten memos in both directions, over and above this one that got blown up unnecessarily. And I would hardly think that I could go through two years in this job without some constructive suggestion from my boss.

Q. Where did you go wrong in Iran?

A It wasn't as though we were sitting here and saying to the President, "Gee, it's sweetness and light in Iran." We were reporting there were all kinds of problems. But most of us felt they wouldn't coalesce into a big enough problem that the Shah couldn't handle. I think most people felt that here's a guy with a police force, with an army, with a one-man government. What inhibitions does he have in suppressing these things? The Shah himself didn't judge it right.

So the fact that we misjudged that the situation would boil over is not a true measure of whether the intelligence community is serving the country properly. I don't guarantee that I'll predict the next coup, the next overthrow of government, the next election surprise.

More than making those predictions, what we're here for is to be sure the policymakers see the trends that they can do something about. Even if I'd told the policymakers on October 5 that there was going to be a major upheaval on November 5 in Iran, there was nothing they could do.

Q. We've been hearing a great deal lately about a "mole" in the CIA—that is, a KGB agent who has penetrated your agency. Does that worry you?

A Well, it's an annoyance. I have no evidence that makes me concerned that we've got a mole. But I'll never say that we don't have one, because I don't want to be complacent.

For Agents in Moscow, **Snooping Is Risky Work**

Here in Russia, operations of the CIA are shrouded in

mystery even more than usual.

Identities of CIA employes working out of the U.S. Embassy in Moscow are a tightly guarded secret. It is doubtful that most personnel in the embassy, let alone outsiders, know who the CIA officers are.

Nevertheless, incidents in recent years have disclosed enough about the nature and scope of the agency's activities in the U.S.S.R. to make it possible to put together this

partial profile:

Much of U.S. intelligence here involves electronic surveillance and interception of Soviet communications.

■ CIA agents are routinely assigned to the U.S. Embassy under cover as political, defense and consular officers. Estimates of just how many of the embassy's 98 staff members work for the CIA range from 10 to 45 percent.

Classic cloak-and-dagger espionage is still part and parcel of the work done by Moscow-based CIA operatives. In one recent case, ampules of poison were involved.

 Contrary to general belief, the CIA does appear to have a number of Russian citizens working for it as agents.

inside the Soviet system.

In theory, the enormous diversity of the U.S.S.R., the

strains between Russians and Soviet minorities, the tens of thousands of disgruntled Jews who wish to emigrate, the ruthless nature of the Soviet state and the suppression of many basic human rights argue that there should be plenty of scope here for foreign intelligence services.

In practice, the CIA and all other West-

ern agencies here operate under enormous handicapsfar greater than those limiting KGB activities in the U.S.

All travel and contacts between Soviet citizens and foreigners are tightly circumscribed. About 85 percent of the U.S.S.R. is effectively off limits to foreigners. The Soviet KGB employs unlimited resources to keep tabs on all resident foreigners.

Closed and secretive by instinct, Soviet society itself acts as a natural barrier to the eyes of prying outsiders. What evidence there is suggests that the CIA tries to get around this problem by recruiting Soviet citizens while they are abroad and by befriending potentially anti-Soviet Eastern Europeans stationed in Moscow.

In at least one area of life in the Soviet Union, the CIA has been embroiled in controversy for some time. This is

the matter of dissidents.

Many dissidents have had access to valuable information on closed scientific-research institutes. Soviet authorities frequently accuse the CIA of trying to subvert dissidents to obtain such data, and the CIA just as often denies it has infiltrated the movement. Whatever the truth, the allegation that the CIA has been involved with the dissidents has helped to destroy them as a real force in Soviet society, since they have become linked in the minds of Russians with a hostile foreign organization.

Twice in the last two years, the U.S. Embassy has been publicly embarrassed by revelations-neither confirmed nor denied in Washington-of CIA activities here. In July of 1977, Martha D. Peterson, supposedly a consular official in the embassy, was caught delivering espionage equipment to a

Soviet citizen. She was subsequently expelled. Two months later, another embassy employe, Vincent Crockett, who was listed as an "archivist," was expelled after he was caught trying to collect material left at a "drop" in Moscow by a Soviet citizen later convicted as a spy

In the nature of things, it is the failures of the CIA rather than the successes that become public knowledge. But confidence that his identity will not be disclosed is essential before any Soviet insider would come forward to help the West, as did Oleg Penkovsky, a colonel in Soviet military intelligence, who gave the British important information in the early 1960s—before being found out and shot. After all that has happened in the last few years, it would take a brave Russian to emulate Penkovsky

This report was written by Robin Knight, chief of the magazine's Moscow bureau.